



Supporting The Orkney Community

The role of the Treasurer

A guide to the duties and
responsibilities of the Treasurer in a
small voluntary organisation

The role of the Treasurer



The Treasurer's role can be divided into two main categories:

- Keeping the accounts; completing and recording financial transactions
- Financial Reporting: keeping the committee and the membership informed of the financial position of the organisation

The treasurer should have expertise in or an understanding of financial matters, and be committed to the aims and objectives of the group, as stated in the constitution or Memorandum and Articles.

Basic duties



- Keeping accurate records of all financial transaction—receipts, invoices, etc.
- Keeping the petty cash
- Keeping and signing cheques—always at least 2 signatories for cheques, preferably 2 out of 3
- Regular, easily understood updates to the committee about the group's financial position to enable informed decisions to be made
- Informing the group about projected expenditure, and preparing estimates and budgets to help in planning expenditure
- Collecting membership fees, etc.
- Assisting with fundraising applications and
- Other fundraising
- Ensuring bills and salaries (if relevant) are paid on time
- Preparing account for examination prior to AGM

Annual Accounts



- The Annual Accounts should be kept as simple as possible and must:
- Clearly show the total income (ie money in) and from where, eg fundraising, membership subscriptions, grants, etc
- Show how much grant money has been spent and how
- Detail how much money is in each account and in petty cash
- Identify how much the group owes and is owed at the end of the financial year

When handling money, a few basic rules should avoid problems:

- Always get and keep receipts—ask shopkeepers for written receipts if their tills don't print any
- Pay by cheque rather than cash, even for small amounts
- Give receipts for money received
- Pay all cash into the bank as soon as possible—don't leave any lying around
- Always have more than one person counting cash—don't do it alone
- Get the accounts independently examined each year, ie by someone who is NOT involved with the group. You probably don't need a chartered accountant—just someone with financial knowledge who will be accepted as honest, trustworthy and independent.

OSCR Regulations



If registered as a Charity, you will have OSCR Requirements.

At the end of your Accounting Period End Date, you will receive an “Annual/Monitoring Return Form” from OSCR which has been pre-populated with information from the previous year. You will need your Constitution and latest accounts to be able to populate this.

Your annual accounts will be either: Receipts and Payments Accounts - these will include a statement of balances and an Independent Examiner' report. Look at OSCR's website for a workpack on how to complete these accounts with examples and models.

OR Fully Audited /Accrued Accounts—Accrued accounts must be prepared by a charity that fulfils at least one of the following criteria:

- has a gross income for the year of £100,000 or more
- is a company
- the constitution or governing document or any enactment of Parliament says the charity should prepare accrued accounts, or accounts that give a true and fair view of its financial affairs
- the trustees have decided that they will prepare accrued accounts. These will include an Independent Auditors Report.

For all charities with an income over £25,000, a Supplementary Monitoring Return Form will need to be completed. Both annual accounts and Supplementary Monitoring Returns Form must be returned to OSCR with the Trustees Annual Report, within 9 months of the Accounting Period End Date.

Restricted and Unrestricted Funds must be separated in the accounts.

Restricted Funds can only be used for the specific purpose initially outlined by the funder/bequestor/donator. Unrestricted Funds can be used for any of the Charitable Purposes agreed by your Charity Trustees, (i.e. your Committee or Board).

Best Practice



Financial Records **MUST** be kept for 6 years from the end of the financial year to which they refer. Written systems and procedures dealing with all aspects of committee work will make everyone's job easier. If they are always followed carefully, the good management of your committee and group will be obvious and this in turn will hopefully encourage others to become involved!